States Like California Punished for Being Ahead of the Status-Quo

“Many in this chamber -- particularly on the Republican side of the aisle -- have long insisted that reforming our medical malpractice laws can help bring down the cost of health care…I know that the Bush administration considered authorizing demonstration projects in individual states to test these ideas. I think it's a good idea, and I'm directing my Secretary of Health and Human Services to move forward on this initiative today. – President Barack Obama, September 9, 2009, Address to Joint-Session of Congress

WASHINGTON. D.C. – House Committee on Oversight and Government Reform Ranking Member Darrell Issa (R-CA) criticized President Obama and Congressional Democrats today for failing to address in their legislation the role that defensive medicine plays in the escalating costs of health care and for instituting provisions that punish states, like California, for being one step beyond the Washington status quo:

“Specifically, buried on page 1431 of the bill are provisions that encourage states to delay implementing meaningful tort reform and even goes so far as to punish states like California that have already enacted tort reform. Rather than seizing an opportunity to produce a bipartisan health care bill that reduces costs, expands coverage and protects choice, Speaker Pelosi has unveiled a 2,000 page bill that grows the deficit and the bureaucracy instead of improving affordable health care coverage.

“Rather than creating a form of nationalized, publicly managed health insurance, I have introduced an alternative (H.R. 3438) that would give the American people access to the selection of private plans that members of Congress choose from so we can safeguard patient choice and keep Washington bureaucrats out of the examination room.”

Issa noted that states such as Texas, for instance, have drastically reduced the cost of health insurance by implementing serious tort reform that discourages frivolous lawsuits and excessive payouts. Looking at the state of Utah, which has implemented a creative reform that allows for greater flexibility through defined-contribution plans, has resulted in increased options for employees and control costs for employers.

Among the concerns raised by the 1,990 pages of H.R. 3962:

- The word “shall” 3,425 times (read: this is the government telling you to do something).

- On page 1431 of the bill we see that no real tort reform exists in the Pelosi bill. In fact, it gives states incentives to *delay* implementing reforms to curb frivolous lawsuits and drive down the cost of health care. It punishes states that have already enacted tort reform – like California and the landmark MICRA reforms – by making them ineligible to receive incentives.

- Creation of a government-run insurance program that could cause as many as 114 million Americans to lose their current coverage;

- Abolition of the private market for individual health insurance, forcing individuals to purchase coverage in a government-run Exchange;

- Stifling insurance regulations that would raise premiums and encourage employers to drop coverage;

- Trillions of dollars in new federal spending that will exacerbate the deficit and imperil the nation’s long-term fiscal solvency;

- Taxes on all Americans—individuals who purchase insurance, individuals who do not purchase insurance, and millions of small businesses—that will kill jobs and raise health care premiums; and

- Cuts to Medicare Advantage plans that will result in higher premiums and dropped coverage for more than 10 million seniors.